

**ASIOCO, INC.**

10801 National Blvd. #102  
Los Angeles, CA 90064

Tel 310 475 6040  
Fax 310 4703301

e-mail: [steveriva@gmail.com](mailto:steveriva@gmail.com)

December 16, 2014

State Water Resources Control Board  
Office of Chief Counsel  
P.O. Box 100  
Sacramento, CA 95812-0100

Via email: [jbashaw@waterboards.ca.gov](mailto:jbashaw@waterboards.ca.gov)

Attn: Mr. Jeannette L. Bashaw, Legal Analyst

Subject: **Petition to Request Review and Stay of Order**

Reference: **RWQCB Order No. R4-2014-0219, Issued to Asioco, Inc.  
on November 24, 2014**

Ladies and Gentlemen:

Asioco, Inc. received the Los Angeles Regional Water Quality Control Board's (RWQCB) letter dated November 24 which ordered Asioco to provide information and to initiate an inspection and monitoring program at our Pacific Clark oil production lease. Asioco intends to comply with all applicable environmental regulations, however, we find that the RWQCB's order is particularly onerous for a small company like ours. Furthermore, we suspect that the potential public benefits achieved will be far outweighed by the time and costs that will be incurred by Asioco to comply with the order. Therefore, we are requesting that the State Board review this order and issue a stay, relieving us of the burdensome requirement for inspections and monitoring. The technical report information requested by the RWQCB was sent to them via email; a copy is attached.

***PETITION INFORMATION***

The following information is offered in good faith in response to requirements for requesting a review and stay of the subject order. Information and comments below correspond to numbered items listed on the petition instructions found on the Waterboards web site.

1) Petitioner Contact Information

Company: Asioco, Inc.  
Contact: Steven Riva, President  
Mailing address: 10801 National Blvd., #102

Los Angeles, CA 90004  
Telephone: 310 47506040  
Email: [steveriva@gmail.com](mailto:steveriva@gmail.com)

Site address: 13005 Athens Way, Los Angeles, CA 90061

2) Action Petitioned

L.A. RWQCB Order No. R4-2014-0219  
Issued to Asioco, Inc. on November 24, 2014  
(copy attached, including transmittal letter)

3) Date of Action (Order)

November 24, 2014 (transmittal letter date)

4) Statement of Reasons Action is Inappropriate

The Order is believed to be inappropriate for the following reasons:

- The RWQCB's order was, we believe, issued without any basis for considering Asioco as discharger of oil or other contaminants. Asioco has no history of spills or discharges to the environment and we maintain our site in a manner that minimizes potential pollutant discharges. The Order, however, compels Asioco to expend a great deal of time and money to "prove our innocence."
- Oil production sites are specifically exempted from NPDES storm water permitting regulations by the federal government
- The County of Los Angeles, Department of Public Works (DPW), inspects our site for compliance with industrial wastewater and storm water discharges. Another level of oversight is, we believe, inappropriate.
- Daily inspections are performed by our pumper; he inspects for oil spills and potential storm water contamination. The site is, however, unattended except for those times.
- In conformance with federal and state requirements, Asioco has a *Spill Prevention Control and Countermeasure (SPCC) Plan* in place for the site. Potential pollutant sources are considered and inspected in the SPCC Plan.
- Tanks and equipment are within a "sized" secondary containment system that prevents the discharge of spilled oil, should a spill occur.

5) Petitioner's Aggrieved Status

The RWQCB's Order requires frequent inspections, record keeping, and monitoring of stormwater. Asioco is a small oil producer and we use a contract "pumper" to inspect and manage our site. Besides these visits, the site is basically unattended. Conducting the required inspections

would require us to contract an additional qualified person, such as an environmental specialist, to come to the site during rainy periods to inspect the stormwater run-off and take samples.

The following preliminary budget was proposed to us by an environmental engineering firm that is very knowledgeable about storm water pollution prevention, monitoring, and reporting:

•	inspection and planning; revise site map:	Site	\$1,500
•	Develop written stormwater monitoring program:	Develop	\$900
•	Monthly inspections and monitoring (eight/year)	Monthly	\$2,000
•	Laboratory analysis; sample delivery, C of C:	Laboratory	\$800
•	Reporting to RWQCB; data collation:	Reporting	<u>\$1,200</u>
	Annual total (first year):		\$6,400

Based on our review of the Order, and the budget presented above, we find that the cost of compliance will be intolerably high for a small oil producers. At present, oil is at less than \$65 per barrel and it is difficult to keep wells operating at this rate. The added burden of inspections and monitoring will make it even harder for small oil producers to continue to provide this valuable resource to our economy.

6) Action Requested of the State Board

Asioco Inc. hereby requests the State Board to rescind the Regional Board's order to have a stormwater monitoring program. (A Technical Report with the other information required by the Order was submitted to the Regional Board previously.)

7) Statement of Points / Authorities

This stay of the RWQCB's Order is requested on the basis of a hardship imposed on small oil producers. Other than that the RWQCB is requiring oil production facilities to implement a program that is exempt under federal regulations, we understand, we are not in a position to comment on legal issues of the Order.

8) Copy of Petition to the RWQCB

A copy of this letter, the Petition, will be sent to the RWQCB's executive officer (to the attention of Mr. Ali Rahmani), when it is sent to the State Board. The petitioner, Asioco, Inc., is also the discharger.

9) Presentation of Issues to the RWQCB

A statement of issues could not be presented to the RWQCB or its executive officer prior to issuance of his order because Asioco Inc. was not made aware of any pending order or action prior to our receiving the order and transmittal letter. Had we been made aware, we would have objected to the executive officer and/or his staff.

***REQUEST FOR STAY OF ORDER***

Asioco, Inc. hereby requests that the state board stay the subject order. A stay is necessary because it is our intention to comply with regulatory orders, however, there are only a few weeks left in the first period of storm water monitoring (July through December) and there is little time remaining to prepare a storm water monitoring program and do inspections and sampling.

Facts of this request are as follows:

- Substantial harm will come to Asioco, in the form of high monetary costs, as well as time for field personnel, consultants, and administration, as described above.
- There will be no substantial harm to other interested persons, the public interest, or the environment, if the stay is issued. There has not been any allegation that Asioco has discharged pollutants, and we are unaware of any pollutant discharge or threatened discharge.
- The subject order might be appropriate for an operation accused of discharging pollutants, however, this is not the case for Asioco. It appears that the order is a way of gathering data at the expense of companies that are not a significant part of the overall pollution issue. The cost of compliance with the subject order is, we believe, excessive, given this fact.

Thank you for your review of this report and for your consideration of our request to exempt Asioco from the requirement to inspect and monitor stormwater from the facility. This order is unduly burdensome, expensive, and will be a hardship on a small oil producer. If we can provide any additional information to support our request and position, please advise us.

***REQUEST FOR RECEIPT***

Inasmuch as this petition and request for a stay, as well as the required technical report, must be filed via email or on disk, we would appreciate your acknowledging receipt of this communication, including the date received, via email or U.S. Mail.

***DECLARATION***

*I, Steven Riva, certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

Sincerely,



Steven Riva  
President

SR:JAS:rd

Encl.: Letter/Technical Report to the RWQCB, dated December 16, 2014

cc: Mr. James Storms, P.E.  
Storms Consulting Engineers

**Los Angeles Regional Water Quality Control Board**

November 24, 2014

Mr. Steven Riva, President  
Asioco, Inc.  
10801 National Blvd., #102  
Los Angeles, CA 90004

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
CLAIM NO. 7010 3090 0000 2924 4195

**CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267 – ORDER TO SUBMIT INFORMATION – ASIOCO INC., PACIFIC-CLARK LEASE IN LOS ANGELES, CA**

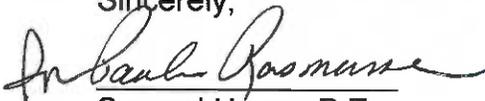
Dear Mr. Riva:

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board), is the public agency with primary responsibility for the protection of ground and surface water quality within the major portions of Los Angeles and Ventura Counties, including the referenced site.

It has come to the Regional Board's attention that your company operates the oil and gas facility located at the Latitude and Longitude of 33.914006 and -118.281078, respectively. This type of facility may be a source of pollutants to surface and ground waters of the region from onsite activities that generate spent drilling fluids, well completion fluids, produced water, and oil spills. As part of our effort to protect water quality and pursuant to California Water Code section 13267, the Regional Board requests information about the mechanism your facility uses to dispose of spent drilling fluids, well completion fluids, produced water, and the protocols and supporting information to address oil spills onsite for the past 5 years.

The Regional Board requires this information as set forth in the attached Order No R4-2014-0219 (Order) no later than 30 days from the issuance of the Order. If you have any questions regarding this matter, please contact Ali Rahmani of my staff at (213) 620-2122 or via email at [Alireza.Rahmani@waterboards.ca.gov](mailto:Alireza.Rahmani@waterboards.ca.gov).

Sincerely,



Samuel Unger, P.E.  
Executive Officer

Enclosure: Order No. R4-2014-0219  
cc: Mr. Patrick Lei, County of Los Angeles (via email)

**Los Angeles Regional Water Quality Control Board**

**INVESTIGATIVE ORDER NO. R4-2014-0219 TO PROVIDE A TECHNICAL OR  
MONITORING REPORT ON**

**OIL SPILLS, STORM WATER DISCHARGE QUALITY, AND THE DISPOSAL OF  
WELL DRILLING FLUIDS, WELL COMPLETION FLUIDS, AND PRODUCTION  
FLUIDS FOR THE PACIFIC-CLARK LEASE IN LOS ANGELES, CA**

**CALIFORNIA WATER CODE SECTION 13267**

**DIRECTED TO ASIOCO, INC.  
10801 NATIONAL BLVD., #102  
LOS ANGELES, CA 90004**

The Regional Water Quality Control Board, Los Angeles Region (Regional Board) makes the following findings and issues this Order pursuant to California Water Code section 13267:

1. Information from the Los Angeles County Registrar-Recorder identifies Asioco, Inc. as the operator of an oil well at the Pacific-Clark lease (facility) located approximately at Latitude and Longitude of 33.914006 and -118.281078, respectively.
2. There are fluids associated with oil and gas well drilling and completion. These fluids are often discharged to land, typically in an unlined sump. Also, oil spills may occur during extraction of oil and can commingle with storm water and be discharged from the facility. Additionally, there is produced water associated with production of oil and gas that may be injected back into the ground.
3. Drilling fluids are those fluids used during drilling activities to carry cuttings to the surface and cool the drill bit. Drilling fluids include a mixture of fresh and/or saline water, formation fluids (i.e., connate water mixed with hydrocarbons), added minerals and solids, and smaller volumes of chemical additives to improve the performance of the drilling fluid. Added minerals typically include bentonite clay to increase the viscosity and stabilize the borehole and barite to help control the flow of pressurized formation fluids into the borehole. Added solids are typically inert materials to control and seal lost circulation zones.

4. Completion fluids include saline water (typically potassium chloride water), residual drilling fluid, formation fluids, and stimulation and flowback fluids from wells that are treated.
5. Stimulation fluids include acid stimulation treatment fluid and hydraulic fracturing treatment fluid. Acid treatment of wells can be at pressures sufficient to fracture the formation and may be combined with hydraulic fracturing treatments (acid fracturing). Other acid treatments are at pressures lower than necessary to fracture the formation, but high enough to increase formation permeability (acid matrix).
6. Hydraulic fracturing treatment fluids are injected at pressures which are increased in steps to control the amount of fracturing in the target formation. Flowback fluids are hydraulic fracturing fluids that flow to the surface from a well after stimulation treatment and before the start of production. Flowback fluids are a mixture of stimulation fluid and formation fluids.
7. Produced water is water that is produced as a byproduct of oil and gas production. It is water that is comingled with the oil and gas extracted from the ground.
8. California Water Code section 13267 states, in part:
  - (a) *A regional board...in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of any waters of the state within its region.*
  - (b)(1) *In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region...that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.*
9. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of wastes to land during the drilling and completion of oil and gas wells. Discharge to land includes the use of lined and unlined sumps.

10. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of stormwater exposed to crude oil.
11. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of water produced during oil and gas production.
12. Based on information from the Los Angeles County Registrar-Recorder, this order identifies 12. Asioco, Inc. as the responsible party for the discharges of fluids or suspected discharges of fluids identified in Paragraph 2, because Asioco, Inc. operates the activities that result in the discharges or suspected discharges.
13. This Order requires the persons named herein to prepare and submit technical and/or monitoring reports to provide information with details about the nature of the discharges described in Paragraph 2 through 6 above directly or indirectly to a water of the State of California or the United States.
14. The Regional Board requires this information to assess the potential threat and potential impacts to water quality and what wastes are being, or have been, discharged to land during well drilling and completion activities, as well as the volume of oil spilled during extraction activities. The need to understand the potential threat and potential impacts to water quality justifies the need for the information required by this Order. The required information is also necessary to evaluate the waste discharge practices currently being implemented at hydrocarbon well drilling and completion sites in the Los Angeles Region. Based on the nature and possible consequences of the discharges, the burden of providing the required information, including the costs of producing the required report, the information requested bears a reasonable relationship to the need for the report, and the benefits to be obtained from the report.
15. The issuance of this Order is an enforcement action by a regulatory agency and is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15321(a)(2), Chapter 3, Title 14 of the California Code of Regulations. This Order requires submittal of technical and/or monitoring reports and work plans. The proposed activities under the work plans are not yet known. It is unlikely that implementation of work plans associated with this order could result in anything more than minor physical changes to the environment. If the implementation may result in significant impacts on the environment, the appropriate lead agency will address the CEQA requirements prior to implementing any work plan.

16. Any person aggrieved by this action of the Regional Board may petition the State Water Resources Control Board (State Board) to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Board must *receive* the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be provided upon request or found on the internet at:

[http://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality](http://www.waterboards.ca.gov/public_notices/petitions/water_quality)

**THEREFORE, IT IS HEREBY ORDERED** that Asioco, Inc. pursuant to section 13267(b) of the California Water Code, is required to submit the following:

By December 24, 2014, the Regional Board requires the submission of a technical report for the facility that includes:

- 1) The description of procedures to close any unlined drilling sumps at new wells and also to close smaller temporary operational sumps next to existing wells. If waste is solidified during closure of sump(s), then describe that solidification process in the report.
- 2) The location of all sumps with any plans or diagrams.
- 3) A report of all spills at the facility since July 1, 2012. At a minimum, the report must include each spill's date and time, location, composition, volume, cause, and remediation details.
- 4) The Spill Contingency Plan for each lease, as required per section 1722, Chapter 4, Title 14 of the California Code of Regulations.
- 5) A stormwater monitoring program that includes:
  - i. A visual observation of the stormwater discharged from each lease, recording presence or absence of floating and suspended materials, oil and grease, discolorations, turbidity, odors, trash/debris, and source(s) of any discharged pollutants.

- ii. Collection of stormwater discharge samples and analysis for pH, total suspended solids, oil and grease, and total petroleum hydrocarbons. Samples are to be collected from a qualifying rain event. A qualifying rain event is any rain event that produces a discharge from the lease. Qualifying rain events are separated by a period of 48 hours with no discharge. A minimum of two qualifying rain events between July 1<sup>st</sup> through December 31<sup>st</sup>, and two qualifying rain events between January 1<sup>st</sup> through June 30<sup>th</sup> have to be sampled.
- 6) Description of procedures for disposal of well drilling and completion fluids, including supporting documents.
  - 7) Description of procedures for spill-control and maintenance of any above ground storage tanks at the facilities.
  - 8) Description of procedures for disposal, injection, or reinjection of produced water, including supporting documents.

Each of the above items shall be submitted as a pdf via email or disk (CD-ROM or CD) to:

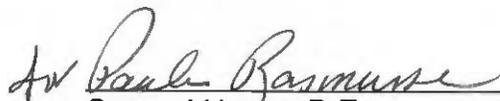
Los Angeles Regional Water Quality Control Board  
320 W. Fourth Street, Suite 200  
Los Angeles, CA 90013  
Attn: Ali Rahmani  
(213) 620-2122  
Alireza.rahmani@waterboards.ca.gov

The technical report is required to be submitted under the California Water Code section 13267 Order No. R4-2014-0219. Pursuant to California Water Code section 13267(a), any person who fails to submit reports in accordance with the Order is guilty of a misdemeanor. Pursuant to section 13268(b)(1) of the California Water Code, failure to submit the required technical report described above by the specified due date(s) may result in the imposition of administrative civil liability by the Regional Board in an amount up to one thousand dollars (\$1,000) per day for each day the technical report is not received after the above due date. These civil liabilities may be assessed by the Regional Board for failure to comply, beginning with the date that the violations first occurred, and without further warning.

The Regional Board, under the authority given by California Water Code section 13267, subdivision (b)(1), requires you to include a perjury statement in all reports submitted under the 13267 Order. The perjury statement shall be signed by a senior authorized Company Name representative (not by a consultant). The perjury statement shall be in the following format:

*I, [NAME], certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

SO ORDERED

  
\_\_\_\_\_  
Samuel Unger, P.E.  
Executive Officer

11-24-14  
DATE